2009

Internal Revenue Service
SDC
Software Developers Conference

1040 Working Group Meeting

Leads: Xan Ostro & Terry Barrera

Senior Technical Advisors, Development Services Division

Electronic Tax Administration

1

Agenda

Session One – Xan Ostro

Volume Management Strategy Plan

Session Two – Terry Barrera

- Schema Review Update
  – Form 1099-R and W-2 update
- Application Changes
- Communication Testing
- Form 8453 update
- Alerts sent with the Acknowledgement
- Quick Alerts

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Volume Management Strategy Plan

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Schema Review Update

Schema Review Update

- Suggested documentation
  - Pub 1345 - **Handbook for Authorized IRS e-file Providers of Individual Income Tax Returns**
  - Pub 4164 - **Modernized e-file Guide for Software Developers and Transmitters**
  - **MeF Submission Composition Guide**
  - **MeF State and Trading partners ICD**
- Schemas reviewed to date
  - 1040 and 1040 Header
  - Schedules A, B and C
- Form 1099-R and W-2 Update

Schema Review Update

- No Schema review meeting on Jun 10th

- June 11th - TY2009 Schemas, Business Rules, Stylesheets and MeF Instance Document (ELF forthcoming) will be posted to irs.gov

- Continue sending inquires about schemas to 1040MeF@irs.gov mailbox

Schema Review Update

ASSIGNMENT

- Next meeting June 17
  - Please review & send comments prior to meeting to 1040MeF@irs.gov
    - Schedule E
    - Schedule EIC
    - Form 2441
    - Form 8863
- Followed by June 24
  - TBD @ June 17th meeting

Questions

2009

E-file Application Changes

**Rebecca Hardin, Program
Analyst, ETA Austin**

e-File Application Update

You can now update to include

1040 MeF

e-File Application Update

- The TPDS e-File Application will need to be updated to add "MeF Internet XML" as a transmission method on the "Forms" page for Form 1040

- This change was implemented on May 10, 2009

e-File Application Update (con't)

In order to participate in 1040 MeF, participants who currently communicate directly with IRS for 1040 e-File will need to update their application to indicate "MeF Internet XML" as a transmission method for Form 1040

e-File Application Update (con't)

Do EROs need to update their application to add 1040 MeF?

No - EROs will automatically be enrolled in 1040 MeF if they are currently enrolled in 1040 e-File.

How is the application updated?

After you navigate to the forms page, select "edit" for the appropriate provider option (software developer or transmitter) for Form 1040

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    ▷ Reports
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    — Software Developer
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  ▷ Maintenance
  ▷ Transcript Delivery System
▷ Customers CRM
▷ Worklist
▷ PeopleTools
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Electronic Return Originator	For Profit	990	Not Applicable	Edit	Delete
Software Developer	For Profit	ETD	EMS Internet,Prop...	Edit	Delete
Software Developer	For Profit	1040	EMS Internet,Proprie...	Edit	Delete
Software Developer	For Profit	1041	EMS Internet,Proprietary	Edit	Delete
Software Developer	For Profit	1065	MeF Internet,XML - Test	Edit	Delete
Software Developer	For Profit	1120	MeF Internet,XML - Test	Edit	Delete
Software Developer	For Profit	1120POL	EMS Internet - Test MeF Internet - Test	Edit	Delete
Software Developer	For Profit	94x	EMS Internet,XML - Test	Edit	Delete
Software Developer	For Profit	990	MeF Internet,XML - Test	Edit	Delete
Transmitter	For Profit	ETD	EMS Internet,Proprietary - Production	Edit	Delete
Transmitter	For Profit	1040	EMS Internet,Proprietary - Production	Edit	Delete
Transmitter	For Profit	1041	EMS Internet,Proprietary - Production	Edit	Delete
Transmitter	For Profit	1065	MeF Internet,XML - Production	Edit	Delete
Transmitter	For Profit	1120	EMS Internet - Production MeF Internet - Production	Edit	Delete
Transmitter	For Profit	1120POL	EMS Internet - Production MeF Internet - Production	Edit	Delete
Transmitter	For Profit	94x	EMS Internet,XML - Test	Edit	Delete
Transmitter	For Profit	990	EMS Internet - Production	Edit	Delete

How is the application updated? (con't)

e-file Application Information :

Name: BOMBAY NATIONAL INC MIKE1   **Employer Identification Number(EIN):** 0

You are required to select the return/form type you are planning to e-file.
You must select at least one form type for each pr

You can select any of the following acti
- Select *Edit* to edit e-File form entries. (The edit
- Select *Delete* to delete an e-File form.

> Check the box for "MeF Internet XML".
> (Remember to Save before you exit)

Provider Option	For Profit	Form	Tra...	...ethod - Status	Edit	
Electronic Return Originator	For Profit	1040	EM... M...	...rietary - Test ...L - Test	Edit	Delete
Software Developer	For Profit	1040		...Proprietary - Test ...t,XML - Test	Edit	Delete

*Provider Option (Required): Software Develo...

*For Profit (Required): For Profit

*Return/Form Type (Required)

☑ 1040 - U.S. Individual Income T... eturn

*Transmission Method/Form... One or More Required):

Description	Form Status
☐ EMS Internet, Proprietary	Test
☑ MeF Internet, XML	Test

☐ 1041 - U.S. Income Tax Return for Estates & Trusts

☐ 1065 - U.S. Return of Partnership Income (1065 and 1065-B)

☐ 1120 - Corporate Income Tax Return (1120, 1120-F, 1120-S) and Application for Extension to File (7004)

☐ 1120POL - U. S. Income Tax Return for Certain Political Organizations

Recap

- ## What do **current 1040 e-File participants** have to do in order to be ready to participate in 1040 MeF?

  - ERO – Nothing

  - Software developer – Update their e-file application to add "MeF Internet XML" as a transmission method

  - Transmitter - Update their e-file application to add "MeF Internet XML" as a transmission method

  Note: A participant who is a developer and a transmitter will need to update both roles

How about states?

- States that currently participate in MeF – do nothing. Their applications will be updated manually by 1040 MeF analysts.

- States that do not currently participate in MeF will have to complete a new e-file application. (This is because MeF uses a special code that is entered in the DBA field)

  Note – states that participate in both the current e-File system and MeF will have two applications

New 1040 Applicants

- New EROs will complete the application as they always have – no change in procedure.

- Software developers and transmitters will need to select their transmission method by selecting "EMS Internet Proprietary", "MeF Internet XML" or both

Questions

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Communication Testing

Delcie Miller, Program Analyst, ETA Austin

Communication Testing

- Software developers and Transmitters not currently participating in MeF may begin communications testing before ATS (Phase I) opens in November.

- The following actions will need to be taken in order to gain access to the MeF system:

  – Update your *e-file* Application to add the role of software developer or transmitter for **Form 1120** with "MeF Internet XML" as the transmission method

  – Send an email to 1040MeF@irs.gov requesting the WSDLs, IRS SSL certificates, and Strong Authentication User Guide

  – When ready to transmit test returns, you may send an email to 1040MeF@irs.gov and ask for test 1120 submissions to finalize your test

State Communication Testing

- States not currently participating in MeF may begin communications testing for MeF before ATS opens in November.

- Send an email to 1040MeF@irs.gov stating readiness to begin MeF testing.

- Specific information on the application process for states will be sent to you as well as necessary technical documents.

Questions

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Form 8453

U.S. Individual Income Tax Transmittal

Yolanda Hill, Program
Analyst, ETA NCFB

- DCN versus Submission ID – MeF does not require the use of a Submission ID in place of the DCN on Form 8453. Since MeF does not use a DCN, you can leave the DCN boxes blank on the F8453.

- During Phase I of 1040 MeF (23 forms submitted for TY 2009), Form 8283, Noncash Charitable Contributions will occasionally require a third-party signature.

Questions

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Alerts sent with Acknowledgment

Suzanne Kahn, 1040 Team Lead
ETA NCFB

The Alerts

- **There are 2 alerts for the 1040 and 4868 returns:**

Rule Number	Rule Text	Error Category	Severity	Tax Type
FPYMT-041	The IRS Payment Record has an incorrect year in the "Requested Payment Date". Your payment has been processed using the current year.	Information message	Alert	1040, 4868
R0000-090	The Imperfect Return Indicator in the Return Header was checked but does not meet the conditions of an imperfect return.	Database Validation Error	Alert	1040

Order of the Errors

- **For rejected returns the errors will be listed in the following order in the Acknowledgement Record:**
  - Entity Type Rejects (The 500 series)
  - All other rejects
  - Entity Type Alerts (R0000-090)
  - Other Alerts (FPYMT-041)

Questions

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Quick Alerts

Dawn Davis-Lee, Program Analyst, ETA NCFB

Quick Alerts

- **QuickAlerts** is the **free** online service that sends e-file messages, *within seconds*, to subscribers. These messages keep tax professionals up to date on e-file events that affect e-file transmitters, authorized e-file providers and e-file software developers
- Effective June 1, **QuickAlerts** transitioned from the current service provider (Envoy profiles) to IRS.gov
- MeF will be using this method of communication more frequently than we have in the past because 1040 MeF impacts more of the externals
- If you are a current subscriber of e-News for Tax Professionals, just access your account and select **QuickAlerts** and choose the type of alerts you would like to receive; there is no impact to current **QuickAlert** users

Quick Alerts

- The **QuickAlerts** "alert" options are: (1) Alerts – processing delays, programming problems and error reject codes, (2) General Notifications – seminars, conferences, e-file publication changes and (3) General IRS e-file Service Center Messages – IRS e-file program updates, Submission Processing Center maintenance schedules and e-file Help Desk phone numbers

- If you would like to subscribe to **QuickAlerts**, access this link: http://www.irs.gov/newsroom/content/0,,id=164580,00.html

- All that is required to subscribe is a valid email address

- For more information, see Publication 4003

Questions

MeF links on irs.gov

Information on 1040 MeF for Software Developers:
http://www.irs.gov/efile/article/0,,id=204764,00.html

MeF User Guides and Publications page:
http://www.irs.gov/efile/article/0,,id=171946,00.html

Main 1040 MeF "Coming Soon to the MeF Program" page:
http://www.irs.gov/efile/article/0,,id=204750,00.html